



Opening Statement
Chris Collins, Chairman
Subcommittee on Health and Technology
Hearing: “An Update on The Small Business Health Options Program (SHOPs), Is It Working for Small Business?”
September 18, 2014

The hearing is called to order.

I would like to thank the witnesses for agreeing to appear today for the Committee’s second hearing examining the implementation of the health care law’s Small Business Health Options Program, commonly referred to as the “SHOPs.”

The SHOPs are marketplaces established by President Obama’s health care law and are intended to assist certain small businesses in shopping for, comparing, and enrolling in health insurance plans for their employees.

The Administration promised that the SHOP exchanges would simplify the process of obtaining insurance, expand health insurance coverage options for small businesses, increase small business purchasing power to lower costs, and put consumers in charge of their health care.

Unfortunately, the reality of the program is far less than promised. Despite spending vast amounts of time and taxpayer dollars establishing the SHOPs, the program continues to be beset by operational delays and other problems that have undermined their utility as a tool for small businesses.

These problems include the inability to utilize web-based portals, limited choice of plans, and a lack of insurance carrier participation in the SHOPs.

The Committee has sent multiple letters to then-Health and Human Services Secretary Kathleen Sebelius and Administrator of the Centers for Medicare and Medicaid Services Marilyn Tavenner to express our ongoing concerns about the seemingly endless problems besetting this program and to get answers about small business participation rates. Unfortunately, the answers have not been provided.

Specifically, in January of this year, Chairman Graves sent a letter to the Department requesting enrollment figures for the SHOPs exchanges. This inquiry was followed by another letter in June. To date, the responses the Department has provided have not included information or data on SHOPs enrollment.

In addition, last year, the Committee commissioned the Government Accountability Office to undertake an examination of the Department’s implementation of the SHOPs exchanges. This report found a number of challenges the Department would need to overcome

in order to make the SHOPS operational by the Department's original October 1, 2013 deadline. It appears these warnings were not heeded and the predictions of problems accurate.

For small businesses, the lack of operational SHOPS is one in a long list of disappointments and challenges they face in the wake of the health care law's implementation. Small businesses also face cancelled health insurance plans, higher premiums, higher deductibles, smaller provider networks, more paperwork, and onerous reporting requirements -- all the result of this misguided health care law.

Today, I hope we will hear some answers about what small businesses can expect of the SHOPS program and when the health care law will start working for them.

Now I yield to Ranking Member Hahn for her opening statement.

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